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**Amendment to the Agreement
Between
Southern Digital, Inc. d/b/a FDN Communications
and
BellSouth Telecommunications, Inc.
Dated April 16, 2003**

RECEIVED

AUG 16 2004

PUBLIC SERVICE
COMMISSION

2004-00244

Pursuant to this Amendment, (the "Amendment"), Southern Digital, Inc. d/b/a FDN Communications (Southern Digital), and BellSouth Telecommunications, Inc. ("BellSouth"), hereinafter referred to collectively as the "Parties," hereby agree to amend that certain Interconnection Agreement between the Parties dated April 16, 2003 ("Agreement") to be effective thirty (30) calendar days after the date of the last signature executing the Amendment.

WHEREAS, BellSouth and Southern Digital entered into the Agreement on April 16, 2003, and;

WHEREAS, the Parties desire to amend the Agreement in order to modify provisions pursuant to the Federal Communications Commission's (FCC) Order on Remand and Further Notice of Proposed Rulemaking (Triennial Order) effective on October 2, 2003;

WHEREAS, the Parties desire to settle the outstanding complaints/petitions filed at the Alabama PSC, docket unassigned (Southern Digital Letter sent June 15, 2004 to APSC), Kentucky PSC Docket No. 2004-00244, and North Carolina Utilities Commission Docket No. P-55, Sub 1518, and;

WHEREAS, the Parties desire to amend the Agreement to reflect other changes as agreed upon by the Parties;

NOW, THEREFORE, in consideration of the mutual provisions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby covenant and agree as follows:

1. The Parties agree to delete Attachment 2, Network Elements and Other Services, in its entirety and replace with Attachment 2 reflected as Amendment Exhibit 1, attached hereto and by reference incorporated into this Amendment.
2. The Parties agree to delete the first WHEREAS clause of the General Terms and Conditions, and replace with a new WHEREAS clause as set forth below to the General Terms and Conditions.

WHEREAS, Southern Digital is or seeks to become a CLEC authorized to provide telecommunications services in the states of Alabama, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee, and

3. The Parties agree to delete section 2.1 of the General Terms and Conditions, and replace with a new section 2.1 as set forth below to the General Terms and Conditions.

2.1 The term of this Agreement shall be three years, beginning on the Effective Date and shall apply to the BellSouth territory in the state(s) of Alabama, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina and

Tennessee. Notwithstanding any prior agreement of the Parties, the rates, terms and conditions of this Agreement shall not be applied retroactively prior to the Effective Date.

4. The Parties agree to add the rates contained in Exhibit 2 for Attachment 1-Resale, Exhibit E Rates; Attachment 4-Collocation-Exhibit B Rates; and Attachment 7-Billing-Exhibit A Rates; to the Agreement for the States of Alabama, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee, as Amendment Exhibit 2, attached hereto and by reference incorporated into this Amendment.
5. The Parties agree to add the rates contained in Exhibit 3 for Attachment 3-Local Interconnection-Exhibit A Rates; for the States of Alabama, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee, as Amendment Exhibit 3, attached hereto and by reference incorporated into this Amendment
6. All of the other provisions of the Agreement, dated April 16, 2003, shall remain in full force and effect.
7. In accordance with the Settlement Terms of the Parties' confidential Settlement Letter for the outstanding complaints/petitions filed at the Alabama PSC, docket unassigned (Southern Digital Letter sent June 15, 2004 to APSC), Kentucky PSC Docket No. 2004-00244, and North Carolina Utilities Commission Docket No. P-55, Sub 1518, BellSouth will send a change of law request to FDN/SDN on July 15, 2004, that will provide for a region-wide negotiation of a post-DC Circuit vacatur¹ amendment for all nine (9) states. Both parties acknowledge that some agreements will be executed but not effective based on the terms of the Agreement for a particular state and the Agreement will not be filed until SDN is approved as a CLEC in the applicable states. The DC Circuit Order post-vacatur change of law amendment negotiation period with respect to this change of law request will be limited specifically to forty-five (45) calendar days from July 15, 2004 notwithstanding the fact that the Agreement at Section 21.4 of the General Terms and Conditions permits a forty-five (45) business day negotiations period for change of law amendments. If the Parties are unable to come to terms for the negotiated amendment, the Parties will follow the modification of agreement/dispute resolution process outlined in the Agreement.
8. Execution of this Amendment does not provide for extension of any additional rights outside of the terms provided for in the Agreement, specifically with respect to UNE pricing for DS0 switching which will be provided to SDN in accordance with the Agreement, and particularly in accordance with Section 4.2.2 of Attachment 2 of the Agreement. Until the Agreement is amended as provided for in Section 7 of this Amendment, or as otherwise required or permitted by the FCC, state commissions, or other legislative or governing authority without amendment, the Agreement provides for unbundled local circuit switching at UNE rates for SDN when SDN serves an End User with four (4) or more voice-grade (DS0) equivalents or lines served by BellSouth outside Zone 1 of the top 50 MSAs, if not served by a DS1 or higher capacity loop. The Agreement does not permit SDN to order DS0 loop/port combo or DS0 switching at UNE pricing when SDN serves an End User with four (4) or more voice-grade

¹ UNITED STATES TELECOM ASSOCIATION v. FEDERAL COMMUNICATIONS COMMISSION and United States of America (359 F.3d 554) March 2, 2004 ("DC Circuit Order").

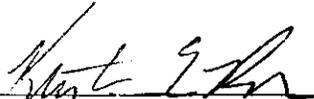
(DS0) equivalents or lines in Zone 1 of a top 50 MSA, or serves an End User with a DS1 or higher capacity loop in any service area covered by this Agreement.

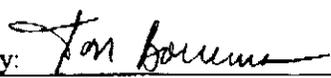
9. Either or both of the Parties are authorized to submit this Amendment to the respective state regulatory authorities for approval subject to Section 252(e) of the Federal Telecommunications Act of 1996.

IN WITNESS WHEREOF, the Parties have executed this Agreement the day and year written below.

BellSouth Telecommunications, Inc.

Southern Digital Network, Inc.

By: 

By: 

Name: Kristen E. Rowe

Name: DON BOEREMA

Title: Director

Title: PRESIDENT + COO

Date: 7/15/04

Date: 7-15-04